

CHAPTER 8 ACCEPTING CREDIT CARD PAYMENTS

781—8.1(12) Scope. Iowa Code section 12.21 grants authority to the treasurer of state to enter into an agreement with a financial institution to provide credit card receipt processing for state departments and to establish administrative and other procedures as necessary to implement the acceptance of credit card payments by state departments which are authorized to accept such payments.

781—8.2(12) Definitions. As used in this chapter:

“*Credit card*” means as defined in Iowa Code section 537.1301, subsection 16.

“*Financial institution*” means a state bank as defined in Iowa Code section 524.103, subsection 19, a federally chartered bank, a federally chartered credit union, a federally chartered savings and loan association, a credit union organized under Iowa Code chapter 533, an association incorporated or authorized to do business under Iowa Code chapter 534 or a trust company organized or incorporated under the laws of this state, which provides credit card receipt processing.

“*Treasurer*” means treasurer of the state of Iowa and members of staff carrying out duties delegated by the treasurer.

781—8.3(12) Requirements for accepting credit card payments.

8.3(1) A state department shall be authorized by the treasurer of state in order to accept credit card payments.

8.3(2) A state department shall notify the treasurer of its intent to accept credit card payments and advise the treasurer as to:

a. The number, amount and total dollar volume of transactions conducted by the department each year; and

b. The number and location of departmental sites that may accept credit card payments.

8.3(3) The treasurer shall provide the following information to the state department:

a. Fees charged to the state departments by the financial institution to process credit card payments.

b. Administrative procedures for accepting credit card payments.

c. Operating rules and regulations of the credit card companies.

d. Adjustments on fees paid with a credit card, if allowed in the contract for credit card processing.

e. State accounting requirements for accepting credit card payments.

f. Equipment needed to accept credit card payments.

8.3(4) A state department shall purchase the equipment required to accept credit card payments.

8.3(5) The financial institution shall provide an adequate number of operation and procedures manuals for each department accepting credit card payments. Staff from each state department accepting credit card payments shall attend training sessions provided by representatives of the financial institution.

781—8.4(12) Administrative procedures for accepting credit card payments.

8.4(1) The treasurer shall specify which credit cards may be accepted by state departments.

8.4(2) State departments shall follow the financial institution’s procedures for accepting payments by credit card as described in the agreement between the treasurer and the financial institution and as specified in the operation and procedures manuals provided to the departments. The departments shall also use the equipment and supplies outlined in the agreement. If an agency fails to follow the procedures, the treasurer’s office may revoke its authorization to accept credit card payments.

8.4(3) State departments shall follow the operating procedures for guaranteeing payment as outlined in the agreement between the treasurer and the financial institution and as specified in the operation and procedures manuals provided to the departments.

781—8.5(12) Rate adjustments. If rate adjustments are allowed under the credit card processing contract, then the following shall apply:

1. The treasurer shall determine the rate by which a state department's fees may be adjusted to reflect costs of credit card processing.
2. A state department shall charge the adjusted fee only to those consumers making payment with a credit card.
3. A state department which accepts credit card payments shall disclose to the public the amount of the fee adjustment.
4. The treasurer shall notify state departments, in writing, of any changes in the fee adjustment.

781—8.6(12) Accounting procedures. The treasurer shall advise state departments on the accounting procedures to be used to record receipts, corrections, refunds, expenses and other accounting transactions associated with accepting credit card payments.

These rules are intended to implement Iowa Code section 12.21.

[Filed 3/15/91, Notice 2/6/91—published 4/3/91, effective 5/8/91]

[Filed 7/11/96, Notice 6/5/96—published 7/31/96, effective 9/4/96]